

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY JANUARY 25, 2023  
8:30 AM

Present:       Ronna Rowe Garrett, Chairwoman  
                  Donald L. Porter, Vice Chairman  
                  Evelyn O. Shaw, Secretary  
                  Wade R. Fowler, Jr., Treasurer

Others Present:   Mick Noland, Interim CEO/General Manager  
                      Adam Lindsay, Assistant City Manager

Absent:         Deno Hondros, City Council Liaison  
                  Jimmy Keefe, Cumberland County Liaison  
                  Media

REGULAR BUSINESS

Chairwoman Ronna Rowe Garrett called the meeting of January 25, 2023, to order at 8:30 am.

APPROVAL OF AGENDA

Commissioner Wade Fowler, motioned to amend the consent agenda by adding Item II.E, Approve deferral of the effective date of the following rate schedules and rider from February 1, 2023, to May 1, 2023: R.B.26, Residential Service-Whole Home (Schedule RLSWH); R.B.27, Small Power Service-Whole Business (Schedule SPSWB); and R.B.28, Renewable Energy Buy Back Rider (REBB Rider), and apply these rate schedules and this rider to service and consumption starting April 2023. The motion was seconded by Commissioner Evelyn Shaw, and the amended agenda was unanimously approved.

CONSENT ITEMS

- A. Approve Minutes of meeting of January 11, 2023
- B. Approve bid recommendation to award bid for the purchase of Pole Mount Distribution Transformers Contract Calendar Year 2023 to WESCO Distribution Inc., Clayton, NC, the lowest, responsive, responsible bidder, in the total amount of \$382,750.00, and forward to City Council for approval.

The Pole Mount Distribution Transformers Contract Calendar Year 2023 is budgeted in Warehouse Inventory.

Bids were received January 5, 2023, as follows:

<u>Bidders</u>	<u>Manufacturer</u>	<u>Total Cost</u>	<u>Delivery</u>
WESCO Distribution, Inc.,	GE/Prolec	\$382,750.00	26 Weeks

**COMMENTS:** Notice of the bid was advertised through our normal channels on November 30, 2022, with a bid opening date of December 22, 2022. Addendum 1 clarified the bid documents, Addendum 2 provided clarification to the technical

specifications and Addendum 3 extended the bid submission date to January 5, 2023. The bid was advertised through normal channels with 6 vendors directly solicited and one (1) bid was received. The single bid received reflects the current market conditions with sharp increases in demand and limited supply. Award of this purchase will provide PWC with a manufacturing source that can help PWC meet the needs of our customer base. Award is recommended WESCO Distribution Inc, Clayton, NC. **SDBE/Local Participation** – WESCO Distribution, Clayton, NC is not a local business and is not classified as a SDBE/Minority Woman-Owned Business.

- C. Approve bid recommendation to award bid for the contract to Replace Standby Power Generator at the Cross Creek Water Reclamation Facility to PowerSecure, Wilmington, DE, the lowest, responsive, responsible bidder, in the total amount of \$4,722,873.00, and forward to City Council for approval.

The project is financed via the Bond Fund in the FY23 Capital Budget (WS 81, CPR1000455) with \$2,000,000.00 presently budgeted under the construction line item. Construction will bridge into the next fiscal year, hence the proposed FY24 Capital Budget includes an additional \$3,403,000.00 to complete the work. Any shortfall may be made up with additional bond funds or transfers from other FY23 CIP projects.

Bids were received January 5, 2023, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Base Bid:	
*ITAC, Chester, VA	\$3,415,000.00
PowerSecure, Inc., Wilmington, DE	\$4,158,680.00
Alternate Bid:	
PowerSecure, Inc., Wilmington, DE	\$4,722,873.00

COMMENTS: PWC advertised this bid opportunity through PWC’s normal channels on October 27, 2022, with an original bid submission date scheduled for December 1, 2022. PWC staff issued Addendum No. 1 on November 1, 2022, which clarified specific parts of the bid documents. PWC staff issued Addendum No. 2 on November 29, 2022, which extended the bid submission date to December 8, 2022. PWC staff issued Addendum No. 3 on December 5, 2022, which clarified specific portions of the Technical Specifications necessary for the bids. Only two bids were received for the initial bid opening on December 8, 2022, and therefore were not opened. PWC then issued Addendum No. 4 on December 8, 2022, which extended the bid submission date a final time to December 16, 2022. PWC’s Procurement Department received two (2) bids for the base bid, which was a required bid for any submission, and one (1) bid for the alternate bid opportunity, which was not required to be submitted by any bidders. It is PWC staff’s recommendation to approve the award to PowerSecure, Inc. for the alternate bid submitted by the company. PWC’s Water Resources Engineering has reviewed the bid submission and agrees with the recommendation to award the bid to PowerSecure, Inc. as the lowest responsive, responsible bidder and to approve the award for the alternate bid as being in the best interests of PWC.

\*The bid documents specifically provided that “The total generation capacity (standby ratings) provided under this Contract shall be no less than 3,000kW, achieved by paralleling multiple units.” The bid documents also specified that “Achieving the desired total generation capacity with a single engine-generator set is not acceptable.” ITAC’s bid provided specifications for a single engine generator with a generation capacity of only 2,500kW. That submission does not meet the requirements set forth in the bid documents and are material variances from the bid requirements and, therefore, ITAC’s bid does not substantially conform to the bid requirements. As such, PWC staff determined that the bid submitted by ITAC was non-responsive. **SDBE/Local Participation:** Power Secure Inc., Wilmington, DE, is not a local business and is not classified as a SDBE, Minority or Woman-Owned business.

- D. Approve bid recommendation to award bid for the purchase of Single Phase and Three Phase Pad Mount Distribution Transformers Contract Calendar Year 2023 to JST Power Equipment, Lake Mary, FL, the lowest, responsive, responsible bidder, in the total amount of \$1,302,200 and \$1,731,710.000 respectively, and forward to City Council for approval.

The Single Phase and Three Phase Pad Mount Distribution Transformers Contract Calendar Year 2023 is budgeted in Warehouse Inventory

Bids were received January 5, 2023, as follows:

SINGLE PHASE PAD MOUNT

<u>Bidders</u>	<u>Manufacturer</u>	<u>Total Cost</u>	<u>Delivery</u>
JST Power Equipment, Lake Mary, FL	JST Power Equipment	\$1,302,200.00	196 days

THREE PHASE PAD MOUNT

<u>Bidders</u>	<u>Manufacturer</u>	<u>Total Price</u>	<u>Delivery</u>
WEG Transformers USA Washington, MO	WEG Transformers	\$1,723,734.00	85-94 wks.
JST Power Equipment, Lake Mary, FL	JST Power Equipment	\$1,731,710.00	196 days
UTB Transformers Santaquin, UT	ERMCO through Maddox Industrial	\$1,838,682.00	23 weeks
WESCO Distribution Clayton, NC	Maddox Industrial	\$2,729,390.00	47 weeks
Flanders Electric Evansville, IN	ERMCO through Maddox Industrial	\$2,801,644.80	29-49 wks.

COMMENTS: Notice of the bid was advertised through PWC's normal channels on November 30, 2022, with a bid opening date of December 22, 2022. PWC issued Addendum No. 1, which provided clarification to the bid documents and Addendum No. 2, which provided clarifications to the material specifications and extended the bid opening to January 5, 2023. Bids were solicited from six (6) vendors and five (5) bids were received. JST Power Equipment was the only bidder that provided a bid for the single-phase pad mount transformers. WEG Transformers USA was the apparent low bidder for the three phase pad mount transformers. Given the difference in lead times between WEG Transformers USA (85-94 weeks) and JST Power Equipment (28 weeks), PWC staff determined that the bid submitted by WEG Transformers USA is not in the best interest of PWC. The Electric Systems Support Department has reviewed the bid submissions and agrees with the recommendation to award the bids to JST Power Equipment. **SDBE/Local Participation:** JST Power Equipment, Lake Mary, FL is not a local business and is not classified as a SDBE Minority or Woman-Owned business.

*ADDITIONAL CONSENT ITEM ADDED BY AMENDING THE AGENDA*

- E. Approve deferral of the effective date of the following rate schedules and rider from February 1, 2023, to May 1, 2023: R.B.26, Residential Service-Whole Home (Schedule RLSWH); R.B.27, Small Power Service-Whole Business (Schedule SPSWB); and R.B.28, Renewable Energy Buy Back Rider (REBB Rider), and apply these rate schedules and this rider to service and consumption starting April 2023.

END OF CONSENT

DISPARITY STUDY RESULTS AND ACTION PLAN

Presented by: Candice Kirtz, Director of Supply Chain, Procurement and Warehouse  
Michele Jenkins, Griffin & Strong, PC, Senior Director

Mr. Noland stated PWC has been working with the City on the Disparity Study for quite some time. The report has been completed and finalized and contains recommendations. He stated we want to give a concise presentation of the study and what we are already doing to help to meet the intent and goals, and others that we would like to work on.

Ms. Candice Kirtz stated Ms. Michelle Jenkins (Griffin and Strong) will share the presentation with her. Ms. Kirtz stated the agenda includes:

- ▶ Disparity Study Overview
- ▶ Review of the Consultants' 10 Recommendations and PWC Action Plans
- ▶ Implementation Timeline
- ▶ FY2024 Reporting

Ms. Jenkins stated Griffin and Strong is a law and public policy consulting firm based in Atlanta, GA. The firm specializes in disparity research, contract compliance and supplier Diversity Implementation.

Ms. Jenkins stated the study parameters included:

Study Period:	FY2017-FY2020
Industry Categories:	Construction Architecture & Engineering (A&E) Other Professional Services Other Services Goods
Relevant Geographic Market Area:	NCDOT Divisions 3-8, 10 Construction 83.99% Architecture & Engineering (A&E) 94.71% Other Professional Services 63.25% Other Services 50.83% Goods 73.66% Total 75.90%

Relevant Market Based upon PWC Payments



Minority Women Business Enterprises (MWBE) Disparities

Summary of Statistically Significant Underutilization of MWBEs - Prime Utilization

Business Ownership Classification	Construction	A&E	Professional Services	Other Services	Goods
African American	X	X	X	X	X
Asian American	X	X		X	
Hispanic American	X	X	X	X	X
Native American	X		X	X	X
Women	X	X	X	X	X

### Summary of Statistically Significant Underutilization of MWBEs Total Utilization (prime + sub)

Business Ownership Classification	Construction
African American	X
Asian American	X
Hispanic American	X
Native American	X
Women	X

### Overall Findings

GSPC found that PWC should continue its race and gender-neutral programs and that there is a factual predicate for race and gender-conscious efforts.

### Commendations

- ✓ SDBE, Local and Minority Business Involvement, and Minority Participation in Building Construction Programs prior to the Disparity Study
- ✓ Prompt Pay
- ✓ Insurance
- ✓ Outreach – GSPC received unsolicited kudos regarding PWC’s Outreach
- ✓ Limited Perceived Discrimination Compared to the Marketplace
- ✓ Use of the North American Industry Classification System (NAICS)

The following are Griffin & Strong’s Recommendations as well as PWC’s Action Plans

### *Allocating Resources and Staffing*

- ▶ **Griffin & Strong, PC (GSPC) Recommendation #1**

- The Study recommends allocating additional staff and resources; a full-time HUB Coordinator to be dedicated to the MWBE Program

▶ **PWC Action Plan(s)**

- PWC currently has two full-time staff members that are dedicated to the Small and Local Supplier (SLS) Program and Historically Underutilized Business (HUB) outreach. These individuals will implement and track program activities for the SLS and Minority and Women Business (MWBE) Program

*Sheltered Market Program*

▶ **GSPC Recommendation #2**

- The Study recommends the utilization of a Sheltered Market Program – a program that reserves a certain threshold of contracts so that only small businesses can bid

▶ **PWC Action Plan(s)**

- The PWC program staff will enforce the 30Under30K program incentive

*Annual Aspirational Goals/Project Specific Goals*

▶ **GSPC Recommendation #3**

- The Study recommends aspirational annual goals that are/will be accessed on an annual basis

▶ **GSPC Recommendation #4**

- The Study recommends PWC to continue setting contract-specific goals with separate MBE and WBE goals on a contract-by-contract basis per procurement category (construction, A&E, professional services, other services, goods)

▶ **PWC Action Plan(s)**

- The program staff will work with GSPC following the acceptance of the study to set the annual goals by procurement category, for the first year (FY2024) and obtain the formula for succeeding years for MWBE participation
- The program staff will work with department end-users to create project-specific MBE and WBE subcontracting goals

Staff and Griffin & Strong responded to questions by Commission.

*Good Faith Efforts*

▶ **GSPC Recommendation #5**

- The Study recommends that if a firm does not meet contract-specific goals with separate MBE and WBE goals and does not satisfy Good Faith Efforts, they should be deemed non-responsive

▶ **PWC Action Plan(s)**

- The program staff will validate the bidder's HUB/MWBE affidavits and supporting documentation to determine if the bid is responsive
- The program staff will provide continuous contract compliance to ensure that MBE and WBE expectations are applied to additional subcontracting opportunities

*Contract Compliance Administration*

▶ **GSPC Recommendation #6**

- The Study recommends instituting all aspects of contract compliance including robust monitoring to ensure that prime contractors utilize MWBE firms and are held to the commitments made in their bid package

▶ **PWC Action Plan(s)**

- The program staff will create and enforce a contract compliance administration and monitoring process of HUB Affidavits and contractor pay applications for determining the contractor's integrity for future projects
- The program staff will prepare and submit the required quarterly report to the NC HUB Office
- The program staff will research options, costs, and implementation plans for a robust contract compliance administration software

Staff responded to questions by Commission regarding good faith efforts by contractors.

***Outreach, Support & Forecasting***

▶ **GSPC Recommendation #7**

- The Study recommends PWC undertake targeted outreach, supportive services, forecasting, and encouraging teaming (joint venturing) besides a general outreach campaign

▶ **PWC Action Plan(s)**

- The program staff will provide continuous networking events for SLSs and MWBEs
- The program staff will provide continuous training opportunities in collaboration with various program partners
- The program staff will promote teaming (joint venturing) through local partnerships
- The program staff will work with the procurement department to prepare forecasting through continuous advanced planning

Commission, staff and Griffin & Strong discussed joint-venturing, and mentoring/coaching avenues. The State of NC has a Mentoring/Protegee Program. The NCDOT Office of Civil Rights also has resources to help with JV and teaming efforts. Additional discussion ensued.

***Streamline Bid Process***

▶ **GSPC Recommendation #8**

- The Study recommends PWC to streamline the paperwork on smaller project bids so that the required submissions are not overly burdensome

▶ **PWC Action Plan(s)**

- The Procurement Department in collaboration with Legal will ensure the utilization of standardized PWC's General Terms and Conditions to streamline paperwork for all construction bids
- The Procurement Department in collaboration with Legal will create standardized bid templates to streamline the bidding process
- The program staff will provide internal/external training on bid templates
- The program staff will work with department end-users to identify and publish potential subcontracting opportunities for each advertised construction bid
- The program staff will conduct targeted project-specific subcontractor outreach to confirm the interest of available MBEs and WBEs

***On-Call Contract Policy***

▶ **GSPC Recommendation #9**

- The Study recommends establishing a policy for the use of job orders and on-call contracts

▶ **PWC Action Plan(s)**

- Multiple PWC stakeholders are collaborating to create guidelines for on-call/standby contracts

- The program staff will conduct targeted outreach for professional and general services to identify interested MBEs or WBEs

## **Data Reform**

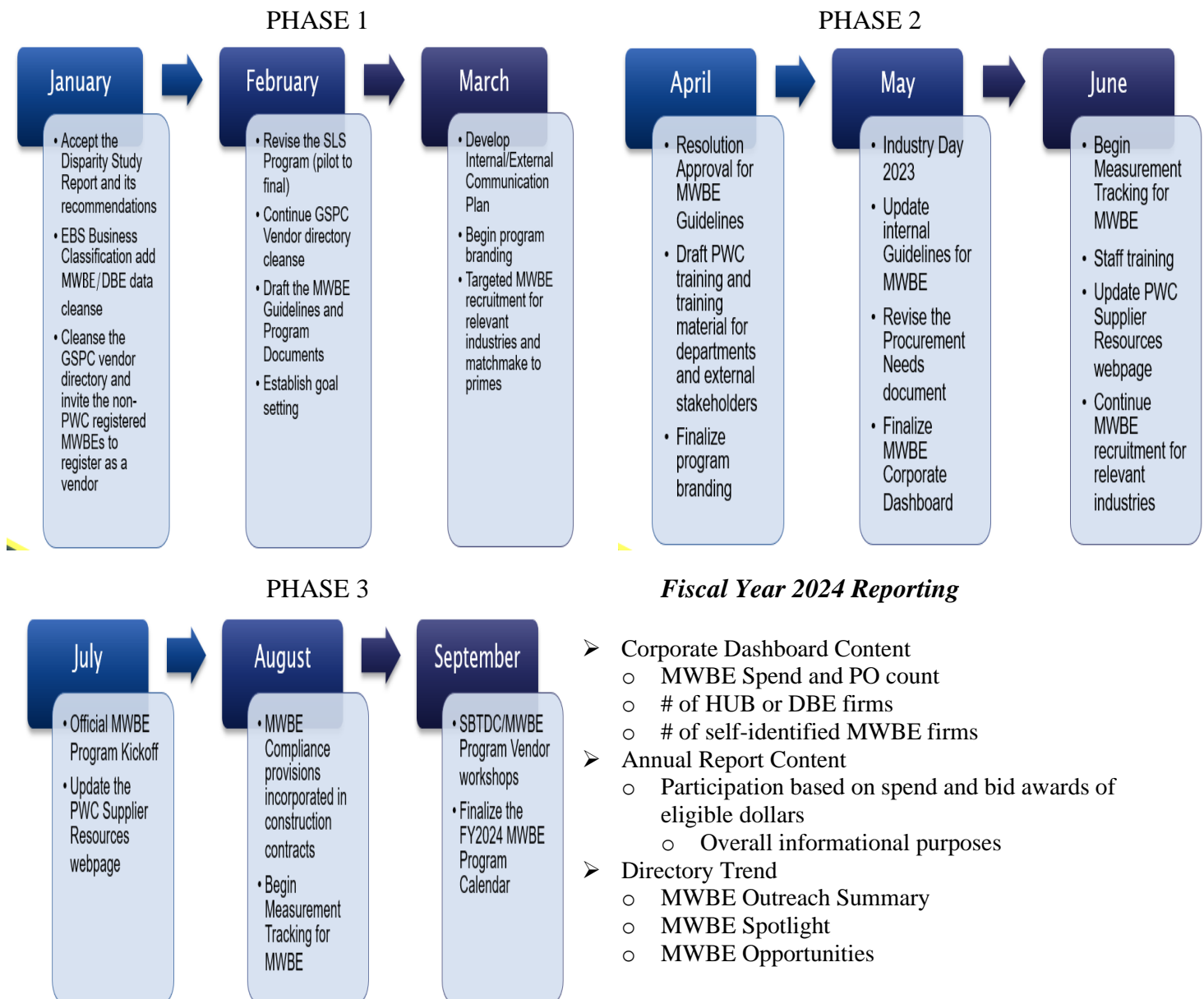
### ▶ **GSPC Recommendation #10**

- The Study recommends requiring bidders and subcontractors to register as vendors and subcontractors should be tracked in a data file and not just included in pay applications

### ▶ **PWC Action Plan(s)**

- The program staff will invite MWBE firms listed on pre-bid sign-in sheets and bid submittals to register as a vendor
- The program staff will create an MWBE repository for bid opportunity notifications
- PWC Data Analytics will create an internal corporate dashboard for MWBE reporting
- The program staff will create and publish an external MWBE vendor directory

## **NEXT STEPS TO IMPLEMENTATION**





Commissioner Garrett asked if the State/City has a set-aside for veterans or disabled veterans. Ms. Kirtz stated when she reviews HUB statute, she does not see a separate category for veterans. Ms. Jenkins verified the State does not have a separate category. Ms. Toon, City of Fayetteville Procurement Manager stated the City tracks veterans, but they do not have a set-aside. Additional discussion ensued.

Commission thanked staff and Ms. Jenkins (Griffin & Strong) for the presentation and the disparity study report. Commissioner Garrett thanked Commissioner Shaw for leading the charge on this issue.

Mr. Noland thanked Ms. Lexi Hasapis for being the PWC point of contact. She has worked several years gathering and compiling data and information. Now we're able to hand it to those who can implement the recommendations. He thanked all who have not been recognized in getting us to this point.

## GENERAL MANAGER REPORT

### Grinding of the Greens

Mr. Noland stated we had our annual Grinding of the Greens this past Saturday. We had volunteers from PWC, Duke and Buford Tree to get the job done.

### United Way

We will have our annual United Way lunch for our staff tomorrow for meeting and exceeding our \$125,000 goal. We raised over \$131,000. Commissioners are invited to attend. It will begin at 11am.

## COMMISSIONER/LIAISON COMMENTS

### *City Manager Adam Lindsay*

Mr. Lindsay stated this was a great presentation. They just heard one similar to this at the City.

### *Commissioner Wade Fowler*

No Comments

### *Commissioner Evelyn Shaw*

No Comments

### *Commissioner Donald Porter*

Commissioner Porter commended Ms. Fritzen who was spotlighted on the Connect. It highlighted her experience as an engineer. He thought it was absolutely superb.

Commissioner Porter requested to recommence his orientations with the departments at some time in the near future.

### *Commissioner Ronna Garrett*

No Comments

## REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – December 2022
- B. Recap of Uncollectible Accounts – December 2022
- C. Investment Report – December 2022
- D. Purchase Order Report – December 2022
- E. Payment by Payment Type – December 2022
- F. Career Opportunities
- G. Financial Statement Recaps – December 2022
  - Electric
  - Water/Wastewater
- H. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #18622 – install sewer mains and a doghouse manhole @ SR2311 (Gillespie St.) and SR2296 Russell St.
  - Encr. #19687 – seventeen geotechnical bores for identification of utility lines inside NCDOT RoW at SR1003 (Camden Road)
  - Encr. #19682 – install new connection and valve to an existing watermain @ I-95 Bus and NC24/NC210 (Grove St.)
- I. Actions by City Council during the meeting of January 9, 2023, related to PWC:
  - Approved Bid Recommendation – Power Transformers for Multiple Substations
  - Approved Bid Recommendation – One (1) Generator Step-Up Transformer for BWGP
  - Approved Second Amendment to Lease of Suite 102 of RC Williams Bldg.
- J. ADJOURN